

## Message Text

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42

ACTION OPIC-06

INFO OCT-01 ISO-00 ARA-06 EB-07 COME-00 L-03 XMB-02 AID-05

( ISO ) W

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R 162032Z JUL 75

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 8611

LIMITED OFFICIAL USE SAN SALVADOR 2833C O R R E C T E D C O P Y (TEXT  
)

E.O. 11652: N/A

TAGS: EINV, ES

SUBJECT: OPIC BILATERAL

REF: SAN SALVADOR 2202

1. BIRD/MANSBACH VISIT (SEPTTEL) PROVIDED OPPORTUNITY TO DISCUSS GOES  
PORBLEMS WITH US PROPOSED OPIC BILATERAL. AS REPORTED REFTTEL, THE  
PROPOSED AGREEMENT HAS NOT BEEN APPROVED BY THE LEGAL STAFF OF  
LEGISLATIVE ASSEMBLY ON GROUNDS ITS PROVISIONS CONTRAVENE PROVISIONS  
OF  
THE SALVADORAN CONSTITUTION. FOREIGN MINISTRY HAS DEVELOPED  
COUNTERDRAFT DESIGNED TO OVERCOME THESE OBJECTIONS, WHICH IT IS NOW  
DISCUSSING WITH OTHER ELEMENTS OF GOES.

2. IN JULY 14 INTERVIEW WITH SUBSECRETARY CASTANEDA, OPIC REP  
STRESSED DESIRABILITY OF REACHING AGREEMENT ON BILATERAL BEFORE NOVEM-

BER INVESTMENT MISSION. CASTANEDA EXPLAINED EFFORTS OF MINISTRY TO  
OVERCOME OBJECTIONS OF LEGISLATIVE ASSEMBLY LEGAL STAFF. THEY HAVE  
DISCUSSED THEIR COUNTERDRAFT WITH THE CHIEF LEGAL OFFICIAL AT THE  
ASSEMBLY, WHO INDICATED VERBALLY HE THOUGHT MINISTRY DRAFT WOULD OVER-

COME CONSTITUTIONAL OBJECTIONS. IT WAS AGREED THAT OPIC WOULD  
REVIEW COUNTERDRAFT FROM US POINT OF VIEW, WITH UNDERSTANDING THAT  
COUNTERDRAFT IS NOT YET OFFICIAL PROPOSAL OF GOES. FULL TEXT  
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BEING AIR POUCHED JULY 17.

3. FOLLOWING ARE CHANGES MADE BY MINISTRY COUNTERDRAFT IN US PROPOSAL:

A. ART. 3 HAS BEEN CHANGED TO UNDERLINE THAT GOES WILL RECONGNIZE SUBROGATION AS VALID ONLY IF SUBJECT TO THE LAWS OF EL SALVADOR;

B. ART. 5 PROVISION FOR MAKING DISPUTES ARISING FROM EVENTS CAUSING PAYMENT UNDER INVESTMENT QUARANTY SUBJECT TO NEGOTIATION BETWEEN GOVERNMENTS AND POSSIBLE BINDING ARBITRATION IS OMITTED. ONLY DISPUTES REGARDING INTERPRETATION OR APPLICATION OF AGREEMENT REMAIN SUBJECT TO ARBITRATION;

C. A NEW ARTICLE IS ADDED STATING THAT CLAIMS ARISING BETWEEN THE TWO GOVERNMENTS RESULTING FROM PAYMENT UNDER A GUARANTY WILL BE SETTLED IN ACCORDANCE WITH THE LAWS OF EL SALVADOR;

D. EDITORIAL AND TRANSLATION CHANGES HAVE BEEN MADE IN ART. 6 OF U.S. DRAFT.

4. ACTION REQUESTED: PLEASE ADVISE ASAP ANY PROBLEMS FOR OPIC IN COUNTERDRAFT, IN ORDER TO PREVENT GOES FROM SETTING UNACCEPTABLE POSITION IN CONCRETE.  
CAMPBELL

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, INVESTMENT CONTROLS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** OPIC BILATERAL  
**TAGS:** EINV, ES, US, OPIC  
**To:** STATE  
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